

Message Text

UNCLASSIFIED

PAGE 01 LONDON 13024 071411Z

46

ACTION EUR-10

INFO OCT-01 EA-07 ISO-00 AEC-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-03 FEAE-00 FPC-01 H-01

INR-09 INT-01 L-02 NSAE-00 NSC-07 OMB-01 PM-03 RSC-01

SAM-01 SCI-03 SP-02 SS-14 STR-01 TRSE-00 FRB-01 PRS-01

PA-01 USIA-04 NEA-06 DRC-01 SAJ-01 /095 W

----- 024975

R 071355Z OCT 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4527

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

AMEMBASSY PARIS

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS LONDON 13024

PASS TREASURY, FRB

E.O. 11652: N/A

TAGS: ENRG, UK

SUBJECT: CHANCELLOR OF EXCHEQUER HEALEY HINTS UK WILL
NOT CURB OIL CONSUMPTION

1. OCTOBER 5-6 HERALD TRIBUNE (TERRY ROBARDS) REPORTS
CHANCELLOR OF EXCHEQUER DENIS HEALEY HAS SUGGESTED
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 13024 071411Z

BRITAIN WOULD NOT BE WILLING TO UNDERTAKE ANY MAJOR CUT-

BACK IN ITS OIL CONSUMPTION AS PART OF A GENERAL EFFORT TO FORCE DOWN WORLD PRICE OF PETROLEUM. IN AN OCTOBER 4 NEWS CONFERENCE HELD IN LONDON, HEALEY IS SAID TO HAVE ACKNOWLEDGED THAT DISCUSSION OF POSSIBLE CUTBACKS HAD TAKEN PLACE IN WASHINGTON DURING PREVIOUS WEEKEND.

2. ACCORDING TO TRIBUNE, HEALEY DID NOT FLATLY RULE OUT A DECISION TO CURTAIL OIL IMPORTS BUT NOTED OIL CONSUMPTION IN UK HAD FALLEN BY ABOUT 10 PER CENT IN LAST YEAR, PARTLY BECAUSE OF CONSUMER RESISTANCE TO PRICE INCREASES. HEALEY OBSERVED THAT THERE WAS LITTLE FURTHER ROOM FOR BRITAIN TO CURB ITS CONSUMPTION WITHOUT SUBSTANTIAL ECONOMIC CONSEQUENCES. HE SAID IT WOULD BE QUOTE TOTALLY ILLOGICAL AND IRRATIONAL UNQUOTE TO CURTAIL IMPORTS IF THIS THREATENED INDUSTRIAL PRODUCTION IN ANY WAY.

3. IN RESPONSE TO QUERY, HEALEY DENIED THE US HAD SUGGESTED AT SECRET MEETING OF FOREIGN AND FINANCE MINISTERS THAT CONSUMING NATIONS REDUCE THEIR OIL CONSUMPTION BY 15 PER CENT. HE DESCRIBED SUCH REPORTS AS QUOTE NOT ACCURATE UNQUOTE ALTHOUGH HE CONFIRMED SOME CUTBACKS WERE DISCUSSED.

4. HEALEY OBSERVED THAT TO SUGGEST BRITAIN CURB OIL IMPORTS BY ANYTHING LIKE 15 PER CENT WOULD BE "VERY UNFAIR" IN LIGHT OF THE REDUCTION IN CONSUMPTION THAT HAD ALREADY OCCURRED HERE AND FACT THAT PER CAPITA OIL USAGE IS MUCH LOWER THAN IN THE US. HE REFERRED TO A "WASTE OF ENERGY" IN US AND SUGGESTED THAT, IF ANY MAJOR CUTBACKS SHOULD BE MADE BY ANY COUNTRY, THE US SHOULD CURB ITS CONSUMPTION THE MOST. OTHER COUNTRIES, HE SAID, MIGHT REDUCE THEIR IMPORTS BY SOMEWHAT SMALLER AMOUNTS OR NOT AT ALL. HEALEY SAID THERE WERE 100 MILLION AUTOMOBILES IN THE US AND THAT THEIR AVERAGE FUEL CONSUMPTION AMOUNTED TO 13.5 MILES A GALLON. HE NOTED GASOLINE CONSUMPTION IN BRITAIN WAS MUCH LOWER, BRITAIN WAS MUCH LESS DEPENDENT ON CARS AND HAD LESS ROOM TO CUTBACK.

5. AFTER REITERATING EARLIER STATEMENTS THAT BRITAIN COULD NOT AFFORD TO DEFLATE ITS ECONOMY AT PRESENT AND UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LONDON 13024 071411Z

HINTING AT REFLATIONARY ACTION TO STIMULATE THE ECONOMY LATER THIS YEAR, HEALEY IMPLIED THAT A CURTAILMENT OF PETROLEUM IMPORTS WOULD NOT BE APPROPRIATE THE SAME TIME GOVERNMENT TRIES TO STIMULATE THE ECONOMY TO AVERT A RECESSION. HE THOUGHT REDUCED OIL SUPPLIES MIGHT ADD TO THE SQUEEZE ON INDUSTRY AT A CRUCIAL TIME.

ANNENBERG

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, IMPORTS, INDUSTRIAL PRODUCTION, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 07 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LONDON13024
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740283-1066
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741067/aaaacfng.tel
Line Count: 115
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 11 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 MAR 2002 by chappeld>; APPROVED <29 JUL 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CHANCELLOR OF EXCHEQUER HEALEY HINTS UK WILL NOT CURB OIL CONSUMPTION
TAGS: ENRG, UK, HEARLD TRIBUNE, (HEALEY, DENIS)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005